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## BOOK REVIEWS

*The Cost of Municipal Government in Massachusetts.* First Annual Report on the Comparative Financial Statistics of Cities and Towns, Covering Municipal Fiscal Years Ending between November 30, 1906, and April 1, 1907. By CHARLES F. GETTEMY, Chief of Bureau of Statistics of Labor. Boston: Wright & Potter, 1908. Pp. lii+299.

The Massachusetts Act of 1906 (Cap. 296) attempted to further the cause of uniform municipal accounting by requiring municipalities to make uniform reports to the Bureau of Statistics of Labor. This volume presents the results of the first year's administration of that act. The introduction is followed by a group of serviceable "analysis tables," in which are presented the percentage of distribution and per capita of "current expenses" (exclusive of interest and expenses of municipal industries) of each city. Park expenditures are also analyzed. The body of the report consists of statistical tables, of which the first part is confined to the cities, and gives in detail the maintenance cost of departments. A valuable and unusual feature of this part is the column giving density of population. Part II consists of a summarized statement of all receipts and payments of both cities and towns, and Parts III and IV present data concerning city and town indebtedness. The data for the towns are presented in accordance with the original schedule sent out by the Bureau, and hence are not strictly comparable with those for the cities, which have been recast. Unfortunately, aggregate figures are not given for the towns. The arrangement of the cities in population groups is an admirable feature of Part I; but in the remaining parts usefulness has been unnecessarily sacrificed to typographical form, and the resulting "groups" are mere arbitrary divisions. The volume concludes with an index to the tables by cities and towns.

To secure the data here presented, uniform schedules were sent out to the various municipal accounting officers. The unsatisfactoriness of such a method is indicated by the fact that in the case of the towns, one-half the schedules had to be filled in by the Bureau of Statistics of Labor from printed reports, supplemented by correspondence, while the auditors of but one-third the cities were able to fill out the blanks without assistance. Accuracy is scarcely to be expected under such a method; the sending of trained accountants to transcribe the figures is almost a *sine qua non* of satisfactory results. This was particularly desirable at the inception of the work, when practically all local officials must have been ignorant of what was wanted. Thus not only could more accurate results have been attained, but the cause of uniform municipal accounting could have been much more furthered, one must believe, than it has been under the correspondence plan. However, the Bureau seems to have done exceedingly well with the resources at its command. The reform of accounting systems has already begun, and it is to be hoped that the administration of the present law will pave the way in due season for an act imposing a uniform system of accounts upon all municipalities in the commonwealth.

The classification used in Part I follows in its essentials that now made familiar to students of municipal finance by the work of the Bureau of the Census. It is only in Part II that any considerable divergence from the Census classification appears. At some points the divergence is commendable, as when receipts from special assessments are reported alongside taxes and licenses, rather than under commercial revenue, as is the Census practice. At others the difference seems less well-advised, as when the term "ordinary" revenue is revived, or when the attempt is made to show the disposition of classes of receipts by putting in parallel columns receipts classified by sources and payments classified by objects. This arrangement breeds various unfortunate results. In the first place, abatements and refunds of taxes, and even taxes collected for, and paid to, other civil divisions, are included in both receipts and payments, which are thus gross, and not net, figures. No less than \$5,452,035, or nearly 10 per cent. of the payments of the cities from ordinary revenue, are of this character. Nor are the corrected figures given in another table. True, these duplications do not enter into the figures for maintenance cost given in Part I, nor into the comparisons made in the text of the report; but all elements of confusion should so far as possible be avoided in a document whose avowed aim is civic education. Again, the attempt to show the disposition of revenue leads to the inclusion of two items—"bonds and notes from tax levy" and "sinking funds from tax levy"—under payments from ordinary revenue, which would be more appropriately entered under "municipal indebtedness." And debt payments from sinking funds might better be regarded as transfers. These difficulties might have been avoided by showing transactions on account of indebtedness in a separate table.

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*Accounts, Their Construction and Interpretation.* By WILLIAM MORSE COLE, A.M. Boston: Houghton, Mifflin Company, 1908. 8vo, pp. 345.

This book has been written for "business men and students of affairs" and fills a long-felt need. There have been many books on bookkeeping and on accounting, but most if not all of them have been written as manuals for bookkeepers and accountants and emphasize the technical rather than the theoretical side. This work discusses the principles upon which all good accounting rests. "The processes of record bookkeeping are almost as simple as primary arithmetic; but what in this book we shall call accounting comprehends far other elements. Accounting, in the sense in which it is used here, is scientific analysis and record of business transactions. It attempts to tell about every transaction everything that can be of service when known. It attempts to show the result of every effort, the cost of every return. Only by its aid can satisfactory comparison be made of different enterprises and different methods. This book is an attempt to set forth in simple form the main principles which must govern any attempt at accounting. . . . The book is intended to be comprehensive for principles, but is not meant for an encyclopedia of bookkeeping forms and practice."

The author has faithfully carried out the plan which he laid down, and anyone who wishes to obtain a clear understanding of the subject will be